

Message Text

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ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 EUR-12 ERDA-05 AID-05 CEA-01

CIAE-00 COME-00 EPG-02 DODE-00 FEAE-00 FPC-01

H-01 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01

PM-04 USIA-06 OES-07 SP-02 SS-15 STR-04 TRSE-00

ACDA-07 /111 W

-----112041 281527Z /44

R 281445Z JUN 77

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 2478

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

C O N F I D E N T I A L BRASILIA 5333

E.O. 11652: GDS

TAGS: ENRG, BDIS, BR

SUBJ: CANADIANS' DEMARCHE TO GOB ON GE TURBINE PROBLEM

FOLLOWING MESSAGE PREPARED IN AMCONSUL RIO DE JANEIRO

REF: SAO PAULO 1506

1. DURING JUNE 23 CALL BY RIO COMMERCIAL OFFICER ON CANADIAN VICE CONSUL VANDERLOO ON ANOTHER MATTER, VANDERLOO DISCUSSED CALL HE AND CONSUL BLAKE HAD MADE THAT MORNING ON PRESIDENT OF ELETROBRAS, ANTONIO CARLOS MAGALPAES, REGARDING RECENT PUB8: COMPLAINTS ABOUT GE TURBINES. THE GE EQUIPMENT IN QUESTION WAS SUPPLIED FROM THEIR CANADIAN SUBSIDIARY DOMINIUM FOR USE AT MOXOTO HYDROELECTRIC COMPLEX. IN ADDITION TO THE CALL ON MAGALHAES ON THE 23RD, THE CANADIAN AMBASSADOR HAS REQUESTED APPOINTMENTS WITH MINES AND ENERGY MINISTER UEKI AND PRESIDENTIAL ADVISOR GGLBERY. THESE MEETINGS, ACCORDING TO VANDERLOO, WILL TAKE PLACE JUNE 24 IN BRASILIA.

2. THE JUNE 23 CANADIAN DEMARCHE WAS TO FORMALLY REQUEST ELETRO-CONFIDENTIAL

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BRAS (READ MAGALHAES) TO REFRAIN FROM SUING GE AT LEAST UNTIL JULY 8 WHEN THE FIRST TURBINE IS DUE TO BE OPERATIONAL. IN ADDITION, THE CANADIANS INFORMED MAGALHAES THAT THEY HAD REQUESTED APPOINTMENTS WITH UEKI AND GOLBERY TO DISCUSS THIS MATTER. THEY ALSO EXPRESSED DISMAY THAT THIS SUBJECT HAD BECOME SO WIDELY PUBLICIZED, SUGGESTING THAT THE GOVERNMENT-TO-GOVERNMENT DEMARCHE WAS BROUGHT ABOUT BY THE DERISIVE NATURE

OF RECENT COMMENTS WHICH HAD APPEARED IN THE BRAZILIAN PRESS.

3. ACCORDING TO VANDERLOO, MAGALHAES' INITIAL REACTION WAS ANGER. HE SUGGESTED THAT IF THE CONSUL WISHED TO USE HIS TELEPHONE TO CALL EITHER UEKI OR GOLBERY, HE COULD DO SO AT THAT MOMENT. HE THEN SAID HIS ONLY BOSS WAS THE "GOOD OF BRAZIL." HOWEVER, BY THE TIME THE MEETING BROKE UP MAGALHAES AGREED TO WITHHOLD HIS LAWSUIT UNTIL AT LEAST JULY 8. VANDERLOO STATED TO THE REPORTING OFFICER THAT THE CANADIANS WERE NOT SANGUINE THAT MAGALHAES WOULD KEEP HIS WORD REGARDING THE LAWSUIT. JOHNSON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEMARCHE, LITIGATION, TRADE COMPLAINTS, TURBINE COMPONENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Errors: N/A
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Litigation Codes:
Litigation History:
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Original Previous Classification: n/a
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